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28 November 1958

MEMORANDUM FOR: Assistant Director/ Research and Reports

THROUGH: Chief, Economic Research Area

THROUGH: Chief, St/PR

THROUGH: Chief, D/S

FROM: Chief, E/CST

25X1C5b

SUBJECT: Exploitation of Source [REDACTED]

1. PROBLEM:

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To evaluate the contribution to economic intelligence on Poland which source [REDACTED] may make if directly exploited by components of ORR.

2. FACTS BEARING ON THE PROBLEM:

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- a. [REDACTED] has held the following positions in Poland:

[REDACTED]

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- b. [REDACTED] is in Washington, available for consultation and directed research.

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- c. [REDACTED] has made important and useful reports in response to requirements submitted previously. His reports have been both comprehensive and clear.
- d. There are several broad questions upon which a man with his experience could shed much light. Among them are the role played by Soviet advisors in the planning and direction of the Polish economy, the ability of the Polish construction industry to expand as fast as is now planned, and the problems encountered in the planning and execution of the investment program.

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- e. OHR component ^{25X1C5b} [redacted] have expressed interest in the further exploitation of [redacted] include D/A/E, D/A/PC, D/I, D/M/HF, and D/S/C&T. Memoranda indicating this interest are attached in Annex II.
- f. Since much of the best information available on the economy of Poland is from open sources, adequate information could be made available to source to keep him aware of current developments.
- g. The guidance and direction which ^{25X1C5b} [redacted] might require in carrying out research and making evaluations of current and future situations in Poland could entail considerable time and effort on the part of the OHR analysts involved.
- j. DISCUSSION;
- a. In view of the experience source has had at the Ministerial and Planning Commission levels, his information and overall knowledge is of the general and comprehensive nature very useful to OHR. His first-hand knowledge is, however, already a year old. Nevertheless, in view of the breadth of his experience and of the fact that so much information is available in open sources, it is expected that he can bring himself up-to-date on most questions.
- b. It ^{25X1C5b} should be emphasized that the position and resulting knowledge of [redacted] make him a source of unique information to S/C&T, and of considerable use to such other branches as D/A/E, D/A/PC, and D/I/HF. He has proven his ability and breadth of information by the reports he has already submitted. Annex I indicates the range of reports he has made.
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- c. The exploitation of [redacted] would follow the general lines indicated below. Until OHR has had more of a chance to assess his capabilities, it is impossible to be more specific as to the topics upon which he could be asked to comment.

(1) Subjects suggested by D/A/E include an analysis and evaluation of investment plans and long-term goals, investment methodology and accounting, the effect of investment policies upon particular industries and sectors, and the role which CEPA plays in investment planning. These topics are more fully described in the attached memorandum from Chief, D/A/E.

(2) D/A/PC has also indicated an interest in further information about the definitions used in the reporting of progress in housing construction, in the stock of housing available in Poland, and so on. See attached memorandum in Annex II.

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(3) D/I has stated that at least three branches are interested in DS-803. Investment in industry, additional information on several specific plants, and the extent and type of investments in the military economic field are among the subjects of interest to D/I. See memorandum in Annex II.

(4) D/M/NF considers it possible, in view of the experience of DS-803, that direct exploitation of this source could yield useful information on the nonferrous metals and minerals industries. A memorandum is included in Annex II.

(5) Since [REDACTED] 25X1C5b [REDACTED] industry, D/S/CST would like to exploit his knowledge of construction intensively. Among the subjects about which he would be asked are the following:

(a) The role planned for CBMA in the construction industries of the Satellites, and the problems which may be expected to arise from a closer integration of their construction efforts.

(b) The role of Soviet advisors, and the influence of Soviet methods and forms of organization in the Polish construction industry.

(c) The degree and progress of mechanization of the construction industry, the number and training of skilled workers in relation to the demand for them which may be expected to result from industrialization of the industry.

(d) How much the current housing program can be expected to alleviate the current housing shortage, and the resulting effects upon employment and mobility of labor which may be expected.

(e) Many articles on the problems of the construction industry of Poland appear in the Polish journals, and source would be asked to evaluate them in the light of his knowledge of the situation and of the authors.

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- d. Although the drafting of requirements to be submitted to [REDACTED] and the guidance and direction of his research may require considerable time and effort on the part of the ORR analysts involved, it is believed that the contributions he could make to economic intelligence on Poland would justify the effort involved.
- e. While it is not now possible to decide how much time each of the interested components of ORR would need to exploit [REDACTED] 25X1C5b it is estimated that he could be very usefully employed for a period of around six months.

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4. CONCLUSIONS;

a. ^{25X1C5b} There is no question as to the desirability of further exploitation of [REDACTED] through both consultation and directed research.

b. His exploitation would be of use to many components of ORR.

5. ACTION RECOMMENDED:

a. ^{25X1C5b} That [REDACTED] be engaged for consultation and to do research under the direction of D/S/CST and the other interested branches on questions such as those outlined for a period of six months.

b. That if he proves as rich a source of information as he now seems, he should be made available for consultation after the initial six months.

c. That all branches who are interested in the exploitation of DS-403 be requested to submit their questions to him through D/S/CST so that a program of research may be prepared.

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[REDACTED]

Enclosures:

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Annex I Sample of the reports [REDACTED] has made to date.
Annex II Memoranda from the various ORR components which are interested in the exploitation of this source.

Distribution:

- Orig. & 1 - Addressee
1 - Chief/E
1 - Chief, St/PR
1 - Chief, D/S
3 - S/CST

ORR/S/CST: [REDACTED] :rw/4597 (28 Nov 58)

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ORIGINAL DOCUMENT MISSING PAGE(S):

Annex II missing